

CCC-850 (05-08-03) U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation BIOENERGY PROGRAM AGREEMENT	For CCC Use Only
	Agreement Number

NOTE: *The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Act of 1995, as amended. The authority for requesting the following information is Section 9010 of the Farm Security and Rural Investment Act of 2002, 15 U.S.C. 714 et seq., and regulations promulgated thereunder (7 CFR Part 1424). The information will be used to complete the terms of an agreement between the bioenergy producer and CCC. Furnishing the requested information is voluntary, however, without it, eligibility to enter into an agreement with CCC cannot be determined. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 1014, 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.*

*According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0560-0207. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. **RETURN THIS COMPLETED FORM TO THE KANSAS CITY COMMODITY OFFICE, P.O. BOX 419205, Stop 8758, KANSAS CITY, MO 64141-6205.***

THIS AGREEMENT, made and entered into by and between Commodity Credit Corporation (CCC), a corporate Agency of the United States, and

1. Name of Firm		
2. Mail Address (Regular mail)		
3A. Contact Person	4. IRS Tax Identification Number	
3B. Contact Person's Title		
5. Telephone No. (Include Area Code)	6. FAX No. (Include Area Code)	7. E-Mail Address

PART A - TERM OF AGREEMENT

Once accepted by CCC, this Agreement continues in force unless terminated in writing by CCC or at the mutual agreement of the parties. CCC may also terminate this Agreement without prior notice when required to do so by programmatic requirements, expiration of authorizing legislation, or exhaustion of funds. All payments are subject to the availability of funds and limits placed on the use of funds for this purpose by CCC. In no case, unless CCC's Executive Vice President shall determine otherwise, may total expenditures under this program for any of Fiscal Years 2003-06 exceed \$150 million per FY. This agreement is effective only for production in those years. Fiscal Year 2003 began on October 1, 2002. No payment may be allowed under this agreement except as allowed by the Program regulations and this agreement. Those regulations are codified at 7 CFR part 1424, as published on May 7, 2003. Regulations added to that part prior to that date do not apply. Waivers of provisions of this agreement may only be allowed by regulations. Such waivers are permitted only if agreed to in writing by the Executive Vice President, CCC.

PART B - DEFINITION OF TERMS

As used in this Agreement, the following terms shall have the following meanings:

- 1. AGREEMENT** means the Bioenergy Program Agreement, Form CCC-850.
- 2. AGREEMENT SUPPLEMENT** means the Bioenergy Program Annual Production Information, Form CCC-850 Supplement.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

3. **ALL LOCATIONS** means any and all locations in which the producer had an interest now (in the current FY) or in the previous FY, irrespective of whether the producer still has such an interest in that facility. In some instances the producer may, as provided here or in the Program regulations be required to report the production of another producer.
4. **APPLICATION** means the Bioenergy Program Application, Form CCC-850-A.
5. **ATF** is the Bureau of Alcohol, Tobacco, Firearms, and Explosives of the Department of the Justice.
6. **BASE PRODUCTION** is a biodiesel producer's current FY's biodiesel production from eligible commodities that is not an increase over biodiesel production in the previous FY to date.
7. **BIODIESEL** is a mono alkyl ester manufactured in the United States and its territories that meets the American Society for Testing and Materials' biodiesel standard.
8. **BIODIESEL PRODUCER** is a producer that produces and sells biodiesel registered, and in good standing, with EPA under Clean Air Act Amendment of 1990, Title II, Section 211(b).
9. **BIOENERGY** means ethanol and biodiesel sold for fuel use and produced from eligible commodities.
10. **CCC** means the Commodity Credit Corporation, a wholly owned government corporation within the USDA.
11. **CONVERSION FACTOR** is for:
 - A. Ethanol, the number of ethanol gallons produced per commodity unit as announced by CCC;
 - B. Biodiesel, 1.4 gallons of biodiesel produced per bushel of soybeans for all eligible commodities that have a corresponding oil or grease market price or, if no corresponding oil or grease market price, as determined and announced by CCC.

When the commodity's conversion factor has been established, that factor will be posted on the program's website; after FY 2003, conversion factors can only be changed when CCC announces such change in a Program press release, and except where necessary to insure the accomplishment of the goals of the program, CCC will endeavor to make such changes in a release issued at least 90 calendar days before the applicable FY's sign-up announcement is issued.
12. **ELIGIBLE COMMODITY** means barley; corn; grain sorghum; oats; rice; wheat; soybeans; cottonseed; sunflower seed; canola; crambe; rapeseed; safflower; flaxseed; mustard seed; sesame seed; cellulosic crops, such as switchgrass and hybrid poplars; fats, oils, and greases (including recycled fats, oils and greases) derived from an agricultural product; and, any animal byproduct (in addition to oils, fats and greases) that may be used to produce bioenergy, as determined by the Secretary, which is produced in the United States and its territories.
13. **ELIGIBLE PRODUCER** means a bioenergy producer who has been determined by CCC to be eligible to receive Program payments and has entered into an Agreement with CCC.
14. **ETHANOL** is anhydrous ethyl alcohol manufactured in the United States and its territories and sold:
 - A. For fuel use and which has been rendered unfit for beverage use and produced at a facility approved by the ATF for the production of ethanol for fuel, or
 - B. As denatured ethanol used by blenders and energy refiners, which has been rendered unfit for beverage use.
15. **ETHANOL PRODUCER** is a producer that produces ethanol under the authority of ATF.
16. **FSA** means the Farm Service Agency, USDA.
17. **FEEDSTOCK UNIT** means bushel, hundredweight, pound, or other unit of measure, as applicable, for the commodity used in bioenergy production.

18. **FY** means a fiscal year beginning on October 1 and ending September 30 of the following year.
19. **KCCO** means Kansas City Commodity Office.
20. **PAYMENT FACTOR** is the proration factor, not to exceed 100 percent, CCC establishes, to keep Program expenditures within available funding.
21. **PAYMENT RATE** is the payment rate CCC will use in payment calculations, based on the amount of increased eligible commodity used by eligible bioenergy producers for bioenergy production for the application quarter FY to date versus the same time period in the previous FY and on base production as applicable to the calculation.
 - A. Less than 65 million gallons, will be paid for 1 feedstock unit for every 2.5 feedstock units calculated as used for increased production.
 - B. 65 million gallons or more, will be paid for 1 feedstock unit for every 3.5 feedstock units calculated as used for increased production.
22. **PRODUCER** is a legal entity (individual, partnership, cooperative, or corporation, etc.) that is a commercial producer of bioenergy making application under this Program.
23. **QUARTER** means the time periods of October 1 through December 31, January 1 through March 31, April 1 through June 30, and July 1 through September 30 of each FY.
24. **SIGN-UP PERIOD** means the 30 calendar day time period each FY beginning for FY 2003 on the date of publication of the Program's final rule and for FY 2004 and beyond on August 1 of the FY before the applicable FY during which:
 - A. CCC will accept new Agreements, and
 - B. producers with existing Agreements must submit their annual Agreement Supplement to CCC.
25. **USDA** means the United States Department of Agriculture.

PART C - AGREEMENT SCOPE

The Agreement entered into by CCC and an eligible producer shall consist of the terms and conditions provided in this Agreement, Section 9010 of the Farm Security and Rural Investment Act of 2002, and the program's regulations at 7 CFR Part 1424. Authority for this program is also provided under the Commodity Credit Charter Act. Limits under that Act may apply to funding.

PART D - REGULATIONS AND OTHER AUTHORITIES

Subject to the provisions of this Agreement, an eligible producer by accepting payments under this program agrees to follow the provisions of:

1. Section 9010 of the Farm Security and Rural Investment Act of 2002;
2. 7 CFR Part 1424, Bioenergy Program Regulations;
3. Section 504 of the Rehabilitation Act of 1973, as amended by the Rehabilitation Comprehensive Services and Developmental Disabilities Amendments of 1978;
4. 48 CFR Part 52, Section 52.222.21, Prohibition of Segregated Facilities;
5. 28 CFR Part 42 and 29 CFR Part 1691 related to handling employee discrimination complaints;
6. 41 USC 22 requirements that no member of, or Delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of the Agreement or to any benefit that may arise from this Agreement, but this provision shall not be construed to extend to an agreement made with a corporation for its general benefit.

The United States shall have the right to enforce compliance with statutes and regulations by suit or by any other action authorized by law.

PART E - ELIGIBILITY REQUIREMENTS

To receive approval under this Agreement, bioenergy producers must:

1. Obtain an Agreement from the address in Part H below or via the internet at "www.fsa.usda.gov/daco/bio_daco.htm".
2. Submit a signed Agreement to CCC at the address in Part H no later than the last day of the applicable sign-up period.
3. Be assigned an Agreement number by KCCO indicating the producer is eligible for program payments.
4. Maintain records indicating the:
 - A. Quantity of bioenergy produced from each eligible commodity by location during the quarter compared to the same quarter in the previous FY and FY to date, and
 - B. Quantity of each eligible commodity used to produce the bioenergy stated in 4A of this section during the quarter compared to the same quarter in the previous FY and FY to date.

Note: In addition as needed to calculate the producer's eligibility for a payment for increased, not base, production, the producer shall present the production records of person who produced energy at the same location.

5. Furnish CCC such certification before acceptance into the program, and access to such records, as CCC considers necessary to verify compliance with program provisions. This certification shall include:
 - A. For ethanol producers with authority from ATF to produce ethanol, copies of:
 - (1) the Alcohol Fuel Producers Permit (ATF F 5110.74), or
 - (2) both of the following:
 - (a) Registration of Distilled Spirits Plant (ATF F 5110.41) and
 - (b) Operating Permit (ATF F 5110.23).
 - B. For hydrous ethanol that is upgraded by another distiller to anhydrous ethyl alcohol, the increased ethanol production is eligible for payment one time only. If the producer entering into this agreement is:
 - (1) the hydrous ethanol producer, then the producer shall include with this Agreement an affidavit, acceptable to CCC, from the distiller stating that the:
 - (a) applicable hydrous ethanol produced is distilled and denatured for fuel use according to ATF requirements
 - (b) distiller will not include the applicable ethanol in any payment requests that the distiller may make under this program.
 - (2) the distiller that upgrades hydrous ethanol to anhydrous ethyl alcohol, then the producer shall include with this Agreement an affidavit, acceptable to CCC, from the hydrous ethanol producer stating that the hydrous ethanol producer will not include the applicable ethanol in any payment requests that may be made under this program.
- Note:** CCC may pay the first applicant to the exclusion of other possible applicants. Or, CCC may require an agreement as to payment before paying either. Alternatively, CCC may designate whether the distiller or the hydrous ethanol producer will be the payee where needed to insure program integrity.

C. For biodiesel producers certification that they are registered and in good standing with Environmental Protection Agency under Clean Air Act and the biodiesel produced under this Agreement meets the American Society for Testing and Materials' biodiesel standard.

Note: Producers that lack any of the above documentation at the end of sign-up period shall submit the applicable documentation as soon as possible thereafter.

6. Allow verification by CCC of all information provided.

Note: Data furnished by the applicant will be used to determine eligibility for program payments. Furnishing the data is voluntary; however, without it program payments will not be approved. Providing a false certification to the Government is punishable by imprisonment, fines and other penalties.

7. Submit Application according to Part F, including supporting documents, for all bioenergy plants each quarter, FY to date for each FY during which a Program payment is requested.

8. Certify the accuracy and truthfulness of the information provided in their Agreement.

9. If any change is made in any documents furnished with this Agreement, submit a copy of such revised documents promptly to the address in Part H.

10. Annually during the applicable FY's sign-up period, submit a completed Agreement Supplement, Form CCC-850 Supplement, reporting current FY's production and estimated production for the next FY or a letter indicating that no program payments will be requested during the next FY.

PART F - APPLICATION PROCESS

To receive payments under this program during a FY, an eligible producer must:

1. Have an approved Agreement and an Agreement number assigned by KCCO according to Part E.
2. Have submitted an Agreement Supplement for the applicable FY.
3. Obtain an Application from the address in Part H or via the internet at "www.fsa.usda.gov/daco/bio_daco.htm".
4. Submit Applications according to the following table to the address in Part H.

IF the quarter is ...	THEN, submit all documents to KCCO by ...
October through December	January 31 of the following year.
January through March	April 30.
April through June	July 31.
July through September	October 30.

Notes: Mail receipt will be determined by CCC using KCCO's date and time stamp.

If the actual due date is a non workday, the due date will be the next business day.

5. Submit other relevant documents as required by CCC.
6. Certify the accuracy and truthfulness of the information provided.
7. Apply for and receive payments only once for each applicable quarter.

8. If any change is made in any documents furnished with the Application, submit a copy of such revised documents promptly to the address in Part H.

PART G - ELIGIBILITY DETERMINATIONS

1. Applicants will, after Agreements are submitted, if:
 - A. Determined eligible, receive notification of eligibility and, if applicable, any additional information needed;
 - B. Determined ineligible, be notified in writing of ineligibility for program participation and reason for determination;
 - C. Additional information is needed for CCC to determine eligibility, be contacted for additional supporting documentation.
2. Applicants will, after Applications are submitted, if:
 - A. Determined eligible, receive payment;
 - B. Determined ineligible, be notified in writing of ineligibility for payment and reason for determination;
 - C. Additional information is needed for CCC to determine eligibility, be contacted for additional supporting documentation.

PART H - PROGRAM ADDRESS AND PHONE NUMBER

1. Submissions under this Program shall be made to one of the following addresses:

IF sent by ...	THEN ...
FAX	<ul style="list-style-type: none"> Mark FAX cover sheet: "Submission Under Bioenergy Program Agreement" ATTN: Chief, Contract Reconciliation Division, KCCO FAX to 816-823-1805.
Regular First Class Mail	Mail to: SUBMISSION UNDER BIOENERGY PROGRAM AGREEMENT CHIEF CONTRACT RECONCILIATION DIVISION PO BOX 419205 STOP 8758 KANSAS CITY MO 64141-6205
Express or Over Night Mail	<ul style="list-style-type: none"> Mail to: CHIEF CONTRACT RECONCILIATION DIVISION KCCO 6501 BEACON DRIVE STOP 8758 KANSAS CITY MO 64133 Phone Number: 816-926-6525 Mark envelopes in the lower left corner "Submission Under Bioenergy Program Agreement".
Hand Delivery	<ul style="list-style-type: none"> Deliver to: Mail room (South entrance, lower floor) 6501 BEACON DRIVE STOP 8758 KANSAS CITY MO 64133 Address envelopes: CHIEF CONTRACT RECONCILIATION DIVISION KCCO Mark envelopes in the lower left corner "Submission Under Bioenergy Program Agreement".

2. Questions and requests for information related to this program may be made by calling the Contract Reconciliation Division of KCCO at 816-926-6525.

PART I -GROSS PAYABLE UNITS

1. Ethanol:

- A. Producers will be eligible for payments on gross payable units and only their ethanol production from eligible inputs that exceeds, for the Program year to date, as compared to the comparable portion of the previous year, their total comparable production at all locations.
- B. Producers will not be paid twice for the same increase and any decline in relative production between quarters will require a comparable refund.

Example: A producer was paid, at the end of the first quarter, for an increase of 500 gallons of ethanol, but by the end of the second quarter that producer's production, for the year to date, was down to a net increase for the year of 450 gallons, then a refund would be due for the loss of the corresponding 50 gallons of net extra production.

- C. Eligibility and production determinations shall be in accordance with 7 CFR 1424.7 (c).
- D. CCC may require that the producer certify the amount of the actual increased use of agricultural commodities for ethanol production at all such locations by all producers (not just the applicant) for the relevant period and make adjustment in the formulaic payments that would otherwise be made to the producer if there is a difference between that certification and the amount of increased commodity use as calculated under the formula.
- E. Unless CCC otherwise determines, the extra ethanol production from eligible inputs will be converted to gross payable units by dividing the gallons of increased ethanol by the applicable conversion factor.

2. Biodiesel:

- A. Producers will be eligible for payments on gross payable units for all biodiesel production from eligible inputs.
- B. Producers will not be paid twice for the same production.
- C. A failure to maintain year to date biodiesel production increases between quarters will require a refund. The repayment will be offset from the base payment the producer is eligible for at the end of the applicable quarter.

Example: A producer paid, at the end of the first quarter, for 500 gallons of increased biodiesel production, but by the end of the second quarter that producer's production increase, for the year to date, was only 450 gallons, then a refund would be due for the loss of the corresponding 50 gallons of net production increase.

- D. Eligibility and production determinations shall be in accordance with 7 CFR 1424.7 (c).
- E. Unless CCC otherwise determines, biodiesel production from eligible inputs will be converted to gross payable units for:
 - (1) Increased biodiesel production, by dividing the gallons of increased biodiesel by the biodiesel conversion factor of 1.4.
 - (2) Current base production (current production not payable under (1)) by:
 - (a) dividing the base production by the biodiesel conversion factor of 1.4.
 - (b) multiplying the result of (a) by 0.5 in FY 2003, 0.3 in FY 2004, 0.15 in FY 2005, and 0.0 (zero) in FY 2006 to determine base biodiesel production gross payable units.
 - (3) Adding the results of (1) and (2) of this section to determine biodiesel gross payable units.

3. All payments are subject to the availability of funds and to program limits. No payment shall be made except as allowed by law and agreed to by the Executive Vice President. Total payments to all applicants over the life of the program may not exceed \$150 million per FY. Limits on total expenditures for individual FY's may be set by the Executive Vice President.
4. Payments are subject to the program regulations. By program rule, applicable to this agreement, when producers move production from one plant to another between FY's, the prior FY's production for the producer for program payment calculations tied to increases in production shall be the greater of: (i) The production at the plant operated by the producer in the prior FY, or (ii) The production in the prior FY at the plant being taken over by the producer in the current FY. Hence, for purposes of determining payments based on increased production only, producers that take over a plant with prior bioenergy production shall assume that production history. For example: in FY 2002, Producer A produced 1,000 gallons of bioenergy in plant 1 and Producer B produced 500,000 of bioenergy in plant 2. In FY 2003, Producer A assumes operation of plant 2; Producer B moves to plant 3, which was not in the program in FY 2002, but with FY 2002 production of 400,000 gallons from eligible commodities; and Producer C assumes operations of plant 1. In FY 2003, for program purposes solely based on these respective plants, Producer A would have a prior FY production of 500,000 gallons; Producer B would have a prior FY production of 500,000 gallons; and Producer C would have a prior FY production of 1,000 gallons. These examples would apply when a producer moves its entire operation from one plant to another. Otherwise, for purposes of computing whether a producer has increased production in the current year from the previous year, the determination will be made by comparing for the current year the producer's production figures from all locations in which the producer has an interest with, for the previous year, the sum of: (i) Production at those locations by any person including, but not limited to, the producer, and (ii) Additional production by the producer at any other location in that year. Also, as needed to avoid frustrating the goals of the program, the Executive Vice President of CCC may treat producers with common interests, common ownership, or common facilities or arrangements as the same producer.
5. The producer's base for purposes of a base payment in the current FY will be that which was produced by that producer in the previous FY. No payment will be made except to the extent the base is actually produced by the applicant in the current FY.
6. If the producer produces bioenergy using more than one commodity, a payment for increased production will be made only where there is an overall total increase in the producer's bioenergy production as calculated in accord with this agreement. If there is an increase, that increase will be apportioned among commodities in the manner that reflects the producer's actual production limited in such manner as to reflect limits in actual increase in overall production.

PART J - PAYMENT AMOUNT

1. Eligible producer may be paid the amount specified in this section, subject to the availability of funds.
2. To participate, an eligible producer must submit a signed Agreement during the time period that CCC has announced that Agreements will be accepted (sign-up). Agreements may be for single or multiple FY's. However, multiple FY Agreements require annual production estimate reports be submitted during each applicable FY sign-up period. Such reports must comply with the terms of this Agreement. In all cases, the accounting for compliance will be made on a per FY basis.
3. Agreements submitted during sign-up will require applicants to project increases in production and other information as CCC may demand. Based on expected commodity prices, following the formula set out in this section, submissions will be assigned an expected value. Should the value of all timely submitted and validly executed agreements exceed available funding, CCC may, at its discretion, prorate payments to be made under such agreements based on total funding CCC makes available.
4. Subject to this section and conditions in the Agreement, a producer's payment eligibility shall be adjusted at the end of each quarter, and figured as follows:
 - A. Gross payable units, calculated and determined according to Part I, shall be converted to net payable units for producers whose annual bioenergy production is:
 - (1) Less than 65 million gallons, by dividing by 2.5;
 - (2) Equal to or more than 65 million gallons, by dividing by 3.5;

B. Net payable units calculated under paragraph 4A of this section, shall be then converted to a gross payment by multiplying by the per unit value of the commodity as of the 10th business day before the start of the production quarter, determined as follows:

(1) For ethanol for agricultural commodities:

(a) With an established Posted County Price, CCC will use the Posted County Price that FSA announces daily, for the county in which the plant is located and applicable quality factors as CCC may establish. CCC will use the same Posted County Price for different locations as is used under other major CCC commodity programs for marketing loan gains and other matters, to the extent practicable.

(b) That do not have Posted County Prices, CCC will use market data that CCC determines to be appropriate.

(2) For biodiesel made from:

(a) Soybeans or soy oil, CCC will use the Posted County Price for soybeans for the county where the plant is located.

(b) Eligible commodities, other than soybeans or soy oil, that

(i) Have a corresponding oil or grease market price, CCC will use the soybean's Posted County Price for Macon County, Illinois. The applicable feedstock's oil or yellow grease (for animal fats and oils) market price, as determined by CCC, will be then divided by the soy oil price published in the Agricultural Marketing Service's Weekly Soybean Crush Report (Central Illinois (Decatur, Macon County, Illinois)) for the applicable date. The resulting percentage will be multiplied by the soybean gross payment to determine the producer's gross payment. The following table demonstrates how biodiesel payments will be determined.

(ii) Do not have a corresponding oil or grease market price, in a manner as determined by CCC.

Example:

Item	Soybeans	Animal Fats & Oils	Mustard Seed
Gross Payable Units (Bushels)	714.30		
Size Factor (2.5 if under 65 million gallons per year total capacity or 3.5)	2.50		
Adjusted Bushels (Gross Bushels/Size Factor)	285.7		
Soybean PCP, Macon County, Illinois	\$5.59		
Soybean Gross Payment (Soybean PCP x Adjusted Bushels)	\$1,597	\$1,597	\$1,597
Soy Oil Price, Cents per pound, Macon County, Illinois		22.59	22.59
Feedstock Price, Cents per pound		10.00	12.30
Feedstock Factor (Feedstock Price/Soy Oil Price)		0.44	0.54
Gross Program Payment (Soybean Gross Payment x Feedstock Factor)	\$1,597	\$707	\$869

C. The gross payment calculated under paragraph 4B of this section shall be reduced to a net payment by multiplying the gross payment figure by the payment factor.

D. Subject to other provisions of this section, producers shall be paid the net current payment, if positive, determined for the quarter.

E. After the first quarter, adjustments shall be made based on changes in production. Refunds, when due, shall be due at the per unit values at which they were paid unless CCC determines otherwise.

F. If despite or in the absence of a proration under paragraph C. of this section funds shall not be sufficient to cover payments due for any quarter then CCC shall prorate, or further prorate, the claims in such manner as CCC deems fit.

G. No producer may receive more than five percent of the available funding for this Program and determinations of payment eligibility shall take that limit into account.

5. When the commodity's conversion factor has been established, that factor will be posted on the Program's website. If the commodity's conversion factor is not determined when the sign-up is announced, the conversion factor will be provided in a letter to producers with accepted agreements. After FY 2003, conversion factors shall be changed and announced in a press release issued by CCC 90 calendar days before the applicable FY's sign-up, to the extent practicable.

PART K - PAYMENT ISSUANCE

CCC will endeavor to issue electronic payments to producers no later than 30 business days after eligibility is determined. If payment is not made within 30 business days of eligibility determination, CCC will pay interest at the rate the U.S. Treasury charges CCC.

PART L - REQUIRED DOCUMENT SUBMISSIONS

The eligible producer agrees to:

1. Submit a completed Application for each quarter of the applicable FY for each plant location in which the producer has an interest now (in the current FY). Also, the producer shall, as need be, present data regarding production at other plants and other producers as applicable to Program calculations.

Note: Failure to make a subsequent Application submission will result in loss of program eligibility and subject to provisions in Part J.

2. Reimburse CCC for any overpayment received according to Part J.
3. Submit an Agreement Supplement, Form CCC-850 Supplement, during the applicable FY's sign-up period for each FY that program payments are requested and agrees that it will be at CCC's discretion to make program payments when an Agreement Supplement is not submitted during the applicable sign-up period.

PART M - AUDIT OF RECORDS AND ACCESS TO PREMISES

The eligible producer agrees that USDA, CCC, the Inspector General of USDA, and the Comptroller General of the United States, through their duly authorized representatives, shall have access to and the right to examine any books, documents, papers, and records of the eligible producer involving transactions relating to this Agreement and any other records as may be reasonably needed to confirm payment eligibilities. The eligible producer shall make available at the producer's office at all reasonable times the materials described in this Part for examination, audit, or reproduction until 3 years after the date of any payment issued under this Agreement. Records must be retained and be inspected for a longer period of time in the event that there shall be a dispute that arises before the end of the 3 year period, or where there is reason to expect such a dispute.

PART N - ELIGIBLE PRODUCER CERTIFICATION

By signing and submitting Agreement's Certification and Acceptance block, the eligible producer warrants and represents that all claims for payments and supporting documents submitted to CCC under this Agreement are correct and true. Submission of a false claim or the making of any false representation with respect to eligibility and participation in the program will result in criminal and civil liability.

PART O - OFFSETS AND ASSIGNMENTS

1. Any payment or portion thereof to any person shall be made without regard to questions of title under State law and without regard to any claim or lien against the bioenergy, or proceeds thereof, in favor of the owner or any other creditor except agencies of the U.S. Government. The regulations governing offsets and withholdings found in 7 CFR Part 1403 are applicable to agreement payments.
2. Any producer entitled to any payment may assign any payments in accordance with regulations governing the assignment of payments found at 7 CFR Part 1404.

1. The regulations at 7 CFR Part 11 regarding administrative appeals apply to decisions made under this part. Producers who dispute a KCCO decision made under this Agreement may appeal the determination by filing a written request with the Deputy Administrator at the following address:

To receive consideration, the participant must file the appeal within 30 days after written notice of the decision which is the subject of the appeal is mailed or otherwise made available to the participant. An appeal shall be considered to have been filed when personally delivered in writing to the Deputy Administrator or when the properly addressed request, postage paid, is postmarked. The Deputy Administrator may accept and act upon an appeal even though it is not timely filed if, in the judgement of the Deputy Administrator, circumstances warrant such action.

- ## PART Q - CERTIFICATION OF PRODUCER DOCUMENTATION AND ACCEPTANCE

CERTIFICATION AND ACCEPTANCE	
I certify that the information included with this Agreement is true and correct to the best of my knowledge and belief. I also certify that the documents submitted are true and correct current copies of these documents.	
1. BIOENERGY PRODUCER	2. COMMODITY CREDIT CORPORATION
A. _____ (COMPANY NAME)	A. By: _____ (CONTRACTING OFFICER)
B. By: _____ (Officer, Member, Partner, Proprietor)	B. Effective Date: _____
C. Title: _____	